

NORTHERN ILLINOIS UNIVERSITY

**Dangerous Incentives:  
*Examining the need for an ethical  
standard for forensic economists***

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## Capstone Approval Page

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**ABSTRACT:**

Since the 1970's, the field of forensic economics has grown considerably into a major sub-field within the greater discipline of economics. However, the growing demand for forensic economists, coupled with the rapid growth of financial compensation for forensic economists, has fueled concerns about the effect this expansion is having on the overall tone of economic debate, the individual behavior of forensic economists, and the ethical credibility of economics as a whole. Through the use of an illustrative case study, this paper synthesizes the current discussion regarding the lack of ethical standards in forensic economics while evaluating various proposals that have been put forth to restore confidence and credibility within forensic economics. The case study demonstrates that serious shortfalls still exist in regards to comprehensive ethical standards to guide forensic economists and ultimately highlights the need for continued research into the issue to find a suitable standard.

## **I. Introduction**

When compared to most other academic disciplines, the field of economics is still very young. Before the relatively modern idea of using self-interest to guide economic activity there was simply no reason for economic study. Economic decisions were guided by tradition and force. However, after the widespread abolition of such conventions, the study of economics has grown rapidly and it is now being combined with other disciplines and applied in many areas previously ignored. One of the new sub-categories within economics is forensic economics, also referred to as litigation economics. Forensic economics involves using science, more specifically economic research, to establish facts in a legal setting. Ever since the 1970's, the use of forensic economists as expert witnesses and consultants has grown rapidly (Tinari 1993). These economists have been used in various types of cases, but the most visible type of cases are tort cases. In tort cases, economists are used to help calculate economic damages in cases involving wrongful deaths, debilitating injuries, and the like. A positive shift in the demand curve for forensic economists also came about in the 1990's which was driven by a rash of mergers, acquisitions, and industry deregulations (Mandel 1999). Recent years have seen a growing concern among economists about the effect that the increasing propensity for academic economists to engage in litigation support is having on the overall tone of economic debate, the individual behavior of forensic economists, and the ethical credibility of economics as a whole (Mandel 1999).

In this paper, I will be discussing ~~the~~<sup>the</sup> concerns surrounding forensic economics. Specifically, I will discuss forensic economists' incentives to engage in unethical behavior as they involve themselves in an adversarial legal system where financial stakes

are often very high for the parties involved. Some of the anecdotal stories of unethical behavior currently swirling through the discourse include deliberate skewing of opinions, misrepresentation of study results, inflated claims of statistical certainty, and practicing other tactics that give an unwarranted advantage to clients. A recent article in the journal *Telecommunications Policy* has brought to light a possible case of unethical behavior among economists, in conjunction with other expert consultants, working for regulated telecommunications companies who are dealing with the requirements of the Telecommunications Act of 1996. I will use this telecom article as an illustrative case study with which to discuss the issues economists face when engaged in litigation support and relate it to the wider struggle to establish an ethical standard within forensic economics. Research in this area is in its early stages and it is mostly presented in the main public forum for such information, *The Journal of Forensic Economics*. This is a peer-reviewed publication that is maintained by the National Association of Forensic Economists (NAFE), a member organization of economists who engage in litigation support. Section III ties in some of the analysis that has been published in *The Journal* which is highlighted by the telecom article. Section IV discusses the pros and cons of the various solutions to the dilemma of imposing ethical standards on forensic economists.

## **II. Misuse of the modified t test in telecommunications**

On February 8, 1996, President Bill Clinton signed into law the Telecommunications Act of 1996, thus bringing about a new era in telecommunications policy (President 1996). At the time of its passing, government and industry advocates of the legislation talked of the new world it would spawn in the telecommunications

industry; a world of lower prices, increased competition, and seamless integration of various telecommunications networks (Economides 1998). However, most of the provisions of the act had never been implemented before, especially on such a large scale (Crandall 2005). Furthermore, the act itself is very ambiguous in its provisions. Although many advocates of the legislation were already celebrating the act before it had even been ratified, very few had actually taken the time to read the text of the act in its entirety. It did not take much time after the passing of the Telecom Act for the realization to occur that few people agreed on what the provisions meant or how they should be interpreted and implemented (Furchtgott-Roth 2006). The ambiguity and widespread disagreement over the provisions within the Telecom Act proved to be the catalyst for extensive litigation over the Federal Communication Commission's (FCC) attempt at implementing the various parts of the legislation.

One major goal of the Telecom Act is its attempt to introduce competition into regional U.S. local telephone service markets (Opdyke 2004). Prior to the Telecom Act, local and long distance telephone markets were separated by law. Telephone service carriers who provided long distance service were prohibited from offering local service and carriers who provided local service were prohibited from providing long distance service (Swann and Loomis 2005). The Telecom Act ended this restriction, sort of. Section 253 (a) of the Telecom Act states "No State or local statute or regulations, or other State or local requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service" (Wiley and Wadlow 1996). It seems that this statement ends all artificial barriers to entry in the telephony industry. However, the act contains more than one-hundred pages of detailed

instructions to regulators and prescriptions for opening local telephony markets. In order for local telephone service providers, known as regional Bell operating companies (RBOC), to enter the long distance markets, they have to prove they are in compliance with the fourteen-point competitive checklist in section 271 (c) (2) (B) of the Telecom Act (Huber, Kellogg, and Thorne 1996). Essentially, the RBOCs are required to prove that they have facilitated competition in their local service markets by allowing their competitors to interconnect with their network and by also providing their competitors with service that is at least equal in quality to the service they provide their own customers (Crandall 2005).

The major challenge of these requirements is determining what constitutes service of equal quality and how exactly that equality can be tested and verified. The quality of service is actually composed of hundreds of performance metrics that are measured and recorded by the various RBOCs. These metrics, sometimes referred to as operations support services, include operations like how fast a phone line is installed, how fast a line is repaired, how often repairs are made within a promised time frame, etc (Opdyke 2004). Sometimes, factors beyond the RBOC's control, like weather or natural disasters, may affect the service level they provide to their competitors. This can result in variability within the data which is distinct from the potential variability of measurement error. Hence, a need came about for a way in which to establish whether or not RBOCs were providing service to their competitors that was at least equal to that of their customers as specified by the Telecom Act. Logical reasoning led to the utilization of a statistical test, since statistical testing is designed to determine, with a certain specified level of certainty, whether or not differences within data are due to random chance or true

differences within the data population as represented by the data sample (Opdyke 2004). However, the choice of statistical tests provided the foundation for controversy and allegations of intentional bias.

Years of statistical and economic research has led to the development of numerous statistical tests, each designed for a specific set of conditions and circumstances. Perhaps the most important factor to consider when choosing a statistical test is figuring out what hypotheses will be tested. The null and alternate hypothesis must cover the entire sample space and be mutually exclusive. Improper use of a statistical test can lead to skewed results. In a 2004 article in the journal Telecommunications Policy, J.D. Opdyke claims that the statistical test advocated to test service parity, that was advocated by both the RBOCs and their competitors, and approved by regulators, was inappropriate and inconsistent with the hypotheses that are implied by the Telecom Act (2004). The text of the Telecom Act requires RBOCs to provide service that is at least equal to that of their own customers. Therefore, the null hypothesis should be accepted only if the RBOCs have provided equal (or faster) average service AND equal (or less) variability in service. The alternative hypothesis, when properly defined, is accepted if only one or both of these conditions are not true (Opdkye 2004). An increase in service variability alone, even if average service is equal or better, is sufficient to claim disparity according to the terms of the Telecom Act. However, the statistical test that was adopted to test service parity, known as a both the modified t and modified Z test, was designed for “studies where there is a biological basis (e.g., toxicological studies) for expecting a treatment effect on mean response to be accompanied by an *increase* in variance (emphasis authors’)” (Brownie, Boos, Hughes-Oliver 1990, 259). This means that both



conditions in the alternative hypothesis would have to be true to accept it. This slight alteration in the alternate hypothesis has the potential to affect the results of the parity testing necessitated by the Telecom Act. Opdyke asserts that the modified t statistic, in direct contradiction to the claims of the industry, has the potential to encourage 'gaming', or allowing RBOCs to provide service to its competitors that is, on average, equal to that of its own customers but subject to greater variability (2004). In essence, the potential exists for RBOCs to provide unequal service to their competitors, but not have the violation detected by the statistical parity test, which is a violation of the Telecom Act.

### **III. Analysis**

Many questions arise from this apparent misapplication of a statistical test. Why was the use of the modified t test advocated in the first place? Who advocated it? Who benefits from its application? Why did the regulators accept it? Trying to find answers to these questions leads into the current debate among economists about the proper role and the professional responsibilities of economists who involve themselves in litigation support.

Take the question of who first advocated the use of the modified t statistic. The idea of using the modified t statistic for parity testing was first put forth by a conglomerate of RBOC competitors, called the Local Competition Users Group (LCUG), on February 6, 1998. The membership of the group consisted of AT&T, Sprint, MCI, LCI, and Worldcom (Local Competition Users Group 1998). Expert testimony, solicited from both the RBOCs and their competitors, supported the use of the modified t statistic in parity testing. Trying to ascertain who those experts were and how many of them were

economists, or advised by ~~and~~ economists, is very difficult. This highlights the first important issue within forensic economics: how much litigation support are economists actually engaged in? Much of the current discussion on bias among economists focuses on courtroom testimony (Tinari 1993). It is not exactly easy, but certainly possible to find records of courtroom testimony given by forensic economists. The bigger and more widely known the case is, like the Microsoft antitrust suit, the more likely testimony is publicly available and easy to access. Once obtained, the testimony can then be compared with the economist's academic current academic research for inconsistencies. Under these circumstances, bias and unethical behavior among forensic economists is easier to detect. Furthermore, when an economist actually testifies and attempts to advantage their client by introducing bias into their testimony, the potential exists for an experienced and knowledgeable attorney to bring the economist's bias to the attention of the court through rigorous cross-examination and have the economist's testimony disallowed.

However, courtroom testimony is actually a small fraction of economists' overall contribution to litigation support. Most of the work they do involves writing briefs and various other written analytical reports, many of which are not easily accessible or inaccessible to the public (Tinari 1993). Furthermore, when economists are engaged in providing economic strategies for private companies engaged in regulatory matters, like the LCUG and its advocacy of the modified  $t$  statistic, the chances of the economist's consulting work of facing any sort of peer review or public scrutiny are essentially nil. Unless the economist reveals the work they did on behalf of a company, the integrity of the work may never be known.

The second major issue concerning ethics within forensic economics is trying to determine who is paying economists to provide their expertise. In the case of the modified t statistic, it is almost certain that the RBOCs and their competitors hired economists to provide support during regulatory hearings, but it is not publicly known how much the economic consultants were paid for their services or how many were involved in the case. The idea that large-scale monetary incentives can change some people's behavior is a rather uncontroversial assumption, especially among economists. It is now becoming evident that the monetary incentives for forensic economists are growing very large indeed. It is hard to quantify exactly how big the industry for economic consulting work is in America. One attempt, made in 1997, estimated the revenues for expert economic consultants to be \$300 million for the year (Mandel 1999). Documentation of economists changing their conclusions to satisfy a client who pays generously is hard to come by, and it is dangerous to make such an assertion of that kind of behavior without adequate proof. However, some of the concern comes from the fact that lawyers seem to have no trouble finding economists who are interested in the lucrative opportunities in economic consulting and litigation support. Currently, there is little to guide economists in this newfound opportunity. Theoretically, an economist could, over time, provide litigation support for clients on both sides of a dispute. Due to the complex and contestable nature of most economic problems, an economist could offer to provide litigation support to whichever side offered to pay her more for her services. Furthermore, if an economist engaged in litigation support slightly skews some of her conclusions to satisfy a wealthy client, by minimizing assumptions, or implying a conclusion has a higher level of certainty than the research supports, due to the current

anonymity of economic consultants, there is little potential for negative consequences for the economist. There is currently insufficient evidence to know if forensic economists involved in advocating the modified t statistic were swayed by money into supporting a misguided application of a statistical test. The possible profits for RBOCs and their competitors created by the Telecom Act's provisions allowing them to enter each others markets were huge. With so much at stake, it is not implausible to think that the telephone service carriers spent a descent amount of money to secure experts who would most robustly support the conclusion that had the greatest profit potential for the carriers, regardless of the scientific merits of using the modified t test for parity testing.

Trying to figure out who benefits from the use of the modified t statistic leads into the question of why it was advocated in the first place. To attempt to answer these questions, I must first touch on the nature of bias within economic consulting and litigation support. Within current discussion among forensic economists, two forms of behavior are cited again and again as the main types of unethical behavior. The first is participation in litigation support when one is unaware of the methodology or not updated on current developments within forensic economics. The second kind of behavior is purposeful manipulation of the result to arrive at a favorable conclusion (Sattler 1991). It seems more likely that the case of the modified t statistic was an example of the second kind of behavior. There is circumstantial evidence that points toward willful manipulation and the advocacy of the modified t test. Uncovering it requires a consideration of the incentives for both the RBOCs and their competitors to advocate for implementation of an inappropriate statistical test to measure parity.

As I mentioned above, the Telecom Act tore down all previous barriers prohibiting RBOCs from entering long distance markets and prohibiting competitive challenge to the RBOCs for the local service markets. While the profit potential from this attempt at competition in telephone service are huge, the potential negative consequences of the RBOCs being found in violation of the Telecom Act's competitive checklist requirements, or providing unequal service to their competitors, are huge as well. The most overt threat of penalty the RBOCs have to worry about is monetary fines. If the RBOCs are found to be providing disparate service to their competitors, they have to pay fines, sometimes in the millions of dollars, to those competitors and in some cases to the government (Opdyke 2004). If a RBOC is found to be consistently violating the terms of the Telecom Act, permission to enter the long distance service market may be permanently revoked by regulators (Opdyke 2004). Revocation is not only bad for the RBOC, it is bad for its competitors as well. Should a RBOC be disallowed to enter the long distance service market, it no longer has an incentive to facilitate competition in its own market and its competitor's loose out on the potential profit opportunities of gaining access to the RBOC's local service market. In addition, findings of disparity, with their potential for RBOC fines and other restrictions, could cause a loss of investor confidence in the industry which in turn could cause creditors to lower the industry's bond and stock ratings, creating an impediment to the industry's ability to raise capital. These major threats to the health of the telephony industry that come from findings of disparity create an incentive for the all the players in the industry, not just the RBOCs, to support a statistical test that will result in as few findings of disparity as possible. In this case, if willful manipulation did take place, it might not have been just a ploy for reaping higher

profits but also an attempt to shield a rapidly changing industry from running afoul of the terms of the Telecom Act.

The question then becomes if this test is not the best test, and has the potential to allow RBOCs to violate the Telecom Act's provision of equal service, why did the regulators approve it in the first place. After all, the regulatory agencies have skilled professionals working for them which include economists, statisticians, and other support staff. Why the regulatory board gave this test approval remains a mystery. Opdyke's article refers to the approval as a "glaring oversight" on the part of the regulators (2004). This is certainly possible. The differences in the modified t test and statistical tests that Opdyke puts forth as more appropriate for the hypotheses to be tested are slight and possible to overlook at first glance, although presumably not for skilled professionals. Perhaps when the LCUG first proposed the use of the modified t test, their argument was so cogent it satisfied or impressed the regulators enough that normal levels of scrutiny were not applied. Or perhaps the regulators were influenced by the tendency of bureaucrats to protect their position. Hypothetically speaking, if a situation came about where consistent findings of disparity led to fines, sanctions and a loss of confidence in the industry, scrutiny might become focused on the regulators and their management of the industry. Regulators seem to have an incentive of their own to prevent findings of disparity as much as possible. While it is interesting to speculate on the possible reasons as to why the regulators accepted the modified t test, another more troubling question that is raised by this case, which is reflective of a larger issue debated within forensic economics, is why has the use of the modified t test has been reaffirmed by numerous court rulings and orders by regulatory bodies.

This is another mystery. It is not impossible to accept the idea that regulators made a mistake when they first approved the modified t test. (We could also assume that the LCUG made a mistake in advocating the modified t test.) However, if we assume that regulators did not recognize that the modified t test was inappropriate for the circumstance and its potential to allow gaming by RBOCs when they approved it, logical reasoning suggests that somewhere down the line another, more scrupulous regulatory body, who was not a party to the original decision to approve usage of the modified t test, would recognize the weaknesses of the modified t test and attempt to implement another statistical test that was more suited to the hypotheses. One possible impediment to such a correction might be a convention within American legal philosophy. The American legal process is adversarial, not scientific. The main focus for all involved in the legal process is to win the case, not necessarily advance research or contribute to the academic debate surrounding an issue. Once an issue is decided, like the acceptance of the modified t statistic for parity testing, it becomes a legal precedent and gains an inertia that makes it hard to reverse or overturn. This legal doctrine, known as stare decisis, maintains that once a legal precedent is set it will not be overturned unless there is good cause to do so (Gilbert 1997). What constitutes good cause is debatable, however, the tendency within the American legal system is to more often than not let legal rulings stand rather than overturn them. This tendency to let rulings stand also influences the regulatory process. This may be part of the reason as to why the modified t test is still being used for parity testing in the telecommunications regulation.

There is another issue that is also in play for economists who are involved in any form of litigation support: credibility. One of the most important characteristics for an

economist to have, or be perceived to have, in order to gain employment as an expert witness is credibility (Sattler 1991). Experts who lack credibility are deemed to be of little use to attorneys and clients. However, what constitutes credibility in the world of academic economics is something entirely different from what constitutes credibility in a legal setting. Academic economists are supposed to be open to new ideas. Academic economics is similar to other sciences in the respect that when an academic economist's ideas and conclusions that she had previously generated are contradicted by new ideas that are better supported by the facts, to maintain credibility among her peers she should accept and adopt the new ideas (Mandel 1999). The goal in academic economics is the pursuit of the truth and those who are willing to consider and adopt new ideas that are better supported by the facts gain credibility in the field as an honest and open scientist. However, in the legal field, credibility is judged by consistency (Sattler 1991). If an expert puts forth an opinion on a subject and later changes her opinion, she opens herself for attack by the opposition. A recent example of this happened during the Microsoft antitrust case. When Richard Schmalensee was testifying on behalf of Microsoft, he was attacked by the prosecution for contradictions between his testimony and an article he had written in 1982 (Mandel 1999). Economists who regularly engage in litigation support may find it hard to resist the tendency to lock oneself into an opinion, lest they be subject to allegations on inconsistency and ultimately lacking credibility. The incentive is very strong to avoid losing credibility as it is widely seen to be the most important factor, even more so than having the greatest knowledge of the matter at hand (Stufflebean 1991). Regulatory bodies may also be subject to the same conundrum. In the modified t case, a regulatory body that decided to revoke approval of the modified t test for parity



testing could open itself up to charges of inconsistency amongst regulators and an overall loss of credibility. Opdyke speaks to this in his article when he says "An optimistic view would hold that such open-minded recognition by commissions would allow relevant, applied empirical and analytical research that is new and original, yet rigorously tested and thoroughly documented, to disabuse the industry of the inappropriate statistical practices it refutes, in spite of legal inertia supporting them..." (2004, 856). Optimistic seems to be the key qualifier in this quote, since the modified t test is still in use nearly a decade after it was first proposed. An emerging negative externality of litigation support for academic economists is a chilling of debate around economic issues, both among economists who are engaged in litigation support and those who wish to participate in litigation support.

#### **IV. Suggestions for future research**

While these problems have begun to become topics of debate within forensic economics, the discussion has predictably begun to look toward possible solutions. The most widely circulated and promoted solution is an industry-wide code of ethics. Some suggest this would be a good first step toward establishing forensic economics as a formalized profession. Other professions, like law and medicine, have long-standing codes of ethics which have governed their respective members (Piette 1991). It has been noted by famed judge and scholar Richard Posner that codes of ethics often develop out of industry self-interest. They create a sense of cooperation among professionals to make sure the public interest is served and avoid many of the side-effects caused by more restrictive measures like registration, certification, and licensing (Posner 1974). The

NAFE already has a code in place that governs its members. However, many economists who engage in litigation support are not members of the NAFE and thus not bound by any formalized ethical considerations. The NAFE code has been suggested as a possible starting point for a potential industry-wide code of ethics. The elements that would constitute a code of ethics do not seem to be of great dispute among the industry. It is of general agreement that a code should reflect such values as equality of opportunity, privacy, protection from injury, and self determination. Furthermore, it is generally agreed that a code of ethics be specific and honest, neutral, regulative, and enforceable (Piette 1991). The concept of enforceability is the only issue that is of substantial contention. There is disagreement as to whether or not a code of ethics within forensic economics should be binding or not. Many other professions with codes of ethics, like law and medicine, require practitioners to be licensed or registered according to prescribed means. However, talk of similar requirements is quite controversial among forensic economists. As can be expected, most free-market economists are very leery of restrictions on the competitive market for any good or service, including the services of forensic economists. It has been noted by many detractors of these measures that professions that require registration or licensing rarely discipline members for not adhering to the code of ethics (Piette 1991). Concern has also been raised as to the possible membership of a licensing board and who would control that board. Licensing and registration boards for other professions are often staffed with political appointees who, over time, begin to restrict membership for reasons outside of serving the public interest (Depperschmidt 1994). Additional layers of bureaucracy, in the form of ethics committees, may also have to be created to adjudicate disputes if a binding code of ethics

is implemented. Similar concerns as those raised about licensing board membership have been raised about the membership of ethics committees. A non-binding ethics code seems much more likely to gain acceptance among forensic economists. Although it would be unenforceable in the formal sense, it could provide a reference point for colleagues, lawyers, and society to judge the behavior of forensic economists. Hence, a non-binding code of ethics would be enforced by social controls.

Another possible remedy to some alleged bias within forensic economics is some organizational measure that requires economists engaged in litigation support to disclose their past involvement in litigation support. This could include such facts as who they have worked for, what their contribution to specific cases was, and how much they have been paid for their consulting services. A measure requiring such transparency would quell many of the concerns currently plaguing the industry. However, such a requirement is likely to be opposed by some forensic economists on the grounds that it violates the privacy rights. However, there may be ways to force forensic economists reveal information regarding their previous litigation consulting work without formal requirements. An organization, such as the NAFE, could take on as part of its mission to create an educatory group that trains members of the legal profession on how to craft more and better questions that can be used in a legal setting to challenge expert economics witnesses and consultants, thereby exposing past instances of unethical behavior on the part of a forensic economist. In this sense, forensic economists could take a greater share of the responsibility of policing their own ranks; a responsibility that currently rests entirely on the legal profession (Johnson 1991).

Another idea that has received little attention is creating a process to register qualified forensic economists, in a similar fashion to that of arbiters, and assign members to cases on a rotating and regional basis. If the services of a forensic economist are requested, one would be chosen from the registry and assigned to the case (Tinari 1993). This is a provocative idea that could go a long way toward eliminating incentives among forensic economists to bias their testimony because of the pressures of the legal process. Forensic economists would not know who they were being hired by and their pay would not be dependent on giving favorable testimony for one side or the other, but rather presenting sound information backed by economic research. However, many possible problems could arise from attempts to implement this idea. For example, the aforementioned concerns about the politicization of the membership of an organization that operates such a registry would apply. Furthermore, issues of compensation and funding under such a plan are left unresolved. If such a registry was implemented would there be limits on the compensation a forensic economist could get? Would all participants receive the same pay? Who would fund the organization maintaining the registry? Although I think this idea holds the most promise, many hurdles would have to be overcome in its implementation and in the grand scheme of things it may not be able to overcome the ideals of American capitalism and individualism, which to some ardent free-marketers are violated by this form of government intervention.

Another idea, that is not a topic in current discussion, is the establishment of a nationwide clearinghouse for information regarding forensic economists. Such an institution could have regional offices that collect as much information as possible about economists' involvement in the legal process, whether it is in the public or private sector,

torts or regulated industries. Such a system would reduce the costs of evaluating the performance of forensic economists. The NAFE has been attempting to collect information regarding allegations of bias and unethical behavior among forensic economists for the past couple of years, but so far they have not made public any of their findings and the process is taking place out of the public eye. The more forensic economists work to not only police themselves, but show the public that they are working to maintain ethical standards within their own ranks, the greater the public's trust and the legal establishment's trust in them will be. While the NAFE's effort to document cases is applaudable, the secretive nature of the process does little to combat growing allegations of unethical behavior among some forensic economists.

## **V. Conclusion**

As economics continues to develop, its uses and applications will only grow. This fact is evidenced by the integration of economics into many older and well established disciplines. The new and exciting field of forensic economics is a prime example. The use of economists as expert witnesses, which began in the 1970's, is becoming more widespread with each passing year. Unfortunately, some concern has sprung up among the ranks of economists and outside observers as to the effect that this new career opportunity is having on the behavior of economists and the profession as a whole. The huge financial stakes of many legal cases, coupled with the narrow focus on success within the legal industry, has created concern about the integrity of a discipline that was once known as a disinterested science whose main pursuit was the finding truth through rigorous research and scholarly debate. Incentives for forensic economists to engage in

unethical behavior are growing and a call for measures to counter these incentives is growing as well. As the case of the modified t statistic demonstrates, manipulation can and does take place. However, the case also demonstrates the many shortfalls of the current system of controls (or lack thereof) on forensic economists. It is nearly impossible to gain access to the information to find out when unethical behavior has been committed by a forensic economist, who that economist is, and whether or not that behavior was intentional. While some research into the issue is currently being done by the NAFE, much more needs to be done if forensic economics is going to end speculation regarding member misconduct and establish itself as a true and cohesive profession. Furthermore, the NAFE and other concerned parties need to focus more on economists' litigation support which takes place behind the scenes, including in the regulated industries. Until a more comprehensive and public approach is taken to this problem, it will continue to burden the field of forensic economics. This paper is an attempt to synthesize the research that has been born out of current discussion surrounding ethics in forensic economics while examining some suggestions for remedies of the issue of imposing ethical standards on forensic economists. The lack of available research into this problem mandates that more be done to make sure the best possible solutions are found and the field of forensic economics achieves the status and credibility that it deserves.

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